GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Energy, I&I Department – Constitution of Andhra Pradesh State Energy Efficiency Development Corporation Limited (APSEEDCO Ltd) a Joint venture/ Special Purpose Vehicle with APTRANSCO, APGENCO, APDISCOMS, EESL and Government of Andhra Pradesh, exclusively for energy efficiency activities in the State – Orders – Issued.

ENERGY, INFRASTRCTURE & INVESTMENT (POWER.II.2) DEPARTMENT

G.O.MS.No. 18 **Dated: 01-06-2016.**

Read the following:-

1.G.O.Ms.No.8, Energy (Res.A2) Department, Dated 03-02-2014.
2.G.O.Ms.No.31,Energy(Power.II)Department,Dated 04-07-2014.
3.The Chief Executive Officer, State Energy Conservation Mission, Andhra Pradesh, Lr.No.SECM/CEO/F:SPV for EC Actvts/D.No.241/2016, Dt:25.02.2016.

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O R D E R:

Government have constituted State Energy Conservation Mission (SECM) as a registered society in the reference 1st read above, for advising Government on policy and strategy formulation, co-ordination with key government and non-government stake holders, Global Organizations and Companies, Bilateral / Multilateral funding agencies for energy efficiency projects, Bureau of Energy Efficiency (BEE), Rural Electrification Corporation (REC) etc., for funding and implementation of SECM and Pilot projects, preparation of action plan for rolling out state level schemes, undertaking research and capacity building and monitoring and evaluation of programmes etc. It has also been ordered in the reference 2nd read above, that the SECM shall nominated as " State Designated Agency " for implementation of schemes in the State under Energy Conservation Act, 2001, as per the proposal of Bureau of Energy Efficiency, Government of India, New Delhi. Hence, the SECM is performing the functions of Bureau of Energy Efficiency at state level.

2. Further, to take up large scale implementation of energy efficiency both in public and private sectors in the country, through Energy Service Companies (ESCOs), the Ministry of Power, Government of India has set up Energy Efficiency Services Limited (EESL), a joint venture of NTPC Ltd., PFC, REC and Power Grid, which act as Resource Centre for capacity building of various related institutions and also lead the market related actions. There is no organization / Corporation at Andhra Pradesh State level to perform the functions of EESL.

3. Under the circumstances and also after careful examination of the proposal of the Chief Executive Officer, SECM in the reference 3rd read above, Government hereby constitute Andhra Pradesh State Energy Efficiency Development Corporation Limited (APSEEDCO Ltd) a Joint venture/ Special Purpose Vehicle with APTRANSCO, APGENCO, APDISCOMS, EESL and Government of Andhra Pradesh, exclusively for energy efficiency activities in the State, which shall be registered as Company with the Registrar of Companies, Ministry of Company Affairs, Government of India. The Company shall perform the functions of EESL at the state level. The Company shall engage the services of a practicing Company Secretary or a Chartered Accountant (CA) for preparation of Memorandum and Articles of Association of Joint Venture / Special Purpose Vehicle and other statutory requirements.

4. The structure, principal objectives and other important issues of the above company shall be as mentioned in the Annexure appended to this order. In addition to this, the above company shall take necessary steps to bring the Global Companies with experience in energy efficiency area as equity partners in joint venture to bring in the best world class technology know-how in carrying efficiency activities in the state.

5. The above approval is agreed in principal, subject to incurring expenditure within the budget allocation of the Energy Department, by way of re-appropriation for the actual requirement, if required.

p.t.o.

6. The Chief Executive Officer, SECM shall take further necessary action accordingly.

7. This order issues with the concurrence of Finance (FMU) Department vide their U.O. No. FIN-43027/189/2016-SO(FMU(E&H&C))-FIN, dated 30-05-2016.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Chief Executive Officer, State Energy Conservation Mission, AP., Hyderabad.
The Chairman & Managing Director, AP TRANSCO, Hyderabad.
The Managing Director, AP GENCO, Hyderabad.
The Chairman & Managing Director, APEPDCL., Visakhapatnam.
The Chairman & Managing Director, APSPDCL., Tirupathi.
The Managing Director, EESL, New Delhi.

Copy to:-
The Vice Chairman & Managing Director, NREDCAP, Hyderabad.
The Chief Executive Officer, AP Solar Power Corporation Limited.
The Secretary to AP Energy Regulatory Commission.
The Director and CEIG., AP., Hyderabad.
P.S to Principal Secretary to Hon'ble C.M.
P.S to Principal Secretary to Government, Energy, I & I.
All the sections in the department.
SF/SCs.

// FORWARDED::BY ORDER //

SECTION OFFICER

ANNEXURE TO G.O.MS.NO. 18, DATED 1ST June, 2016

I. STRUCTURE OF AP SEEDCO LIMITED

Sl.No	Point	DESCRIPTION
1	Name of the JV/SPV	Andhra Pradesh State Energy Efficiency Development Corporation Limited (AP SEEDCO).
2	JV Partners	Government of AP, APTRANSCO, APGENCO, APEPDCL, APSPDCL & EESL (Government of India Undertaking)
3	Registered Office of the Company	Vijayawada/ Amaravathi
4	Authorized Capital	Rs 10 Crores
5	Contribution by each partner	10% of the Authorized Capital of Rs 10 Crores i.e Rs.1.00 Crore by each entity (except GoAP). The contribution of GoAP through Energy, I & I Dept. is 1%. So that total initial contribution is of 5.1 Crores. Remaining Rs.4.9 Crores is set apart for future investments. (Since 51% of the equity is held by AP Power Utilities & GoAP, management rights rest with the State Government Only)
6	Initial Paid up Capital	Out of the authorized capital of Rs 10 Crores, initially it have a paid up capital of Rs 1.02 Crores i.e 20 Lakhs from each participating entity & Rs.2.00 Lakhs from the Govt. of AP. Paid up capital contribution of the Energy Dept. GoAP is to be incurred from the SECM funds, subject to reimbursement by the Energy, I&I Dept.
7	Initial Subscribers/ Members of the Company for Registration	One from each entity, except AP SPDCL which is to nominate two persons. The initial subscribers can be designated by the respective Companies through a Resolution. Total no. of initial subscribers is 7 (seven).
8	Chairman	Secretary, Energy I & I shall be the Director designate from the GoAP to be nominated as the Chairman of the new entity.
9	CEO/Managing Director	The incumbent Executive Director/ (Gen-CC) / APTRANSCO, who is also the CEO of the present SECM, shall be nominated by APTRANSCO as member/ subscriber into the new entity on behalf of APTRANSCO, to utilize his services as CEO/Managing Director (MD) of the new entity.
10	Director	Since for day to day operations of the Company, it requires at least three Directors. (Two are identified one from GoAP and other from AP TRANSCO). Subscriber/Member representative of one of the DISCOMs can be nominated as the Director.
11	Bearing of initial expenditure of formation of the JV & payment of required Registration fees	SECM shall spare the amount required for initial expenditure towards registration and other incidental expenditure, including 1% contribution by the Government of Andhra Pradesh. The same can be recouped from the participating entities & Government once the new JV/SPV comes into operation. All the incidental expenditure for formation of the JV/SPV shall be reimbursed to the SECM by the new entity. The State Government shall reimburse SECM the portion of equity of Rs 3.00 Lakhs it has invested into the JV / SPV as a contribution from the State Government

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II. **PRINCIPAL OBJECTIVES**

- Promoting & development of Energy Efficiency activities in the State.

- Investing in the Energy Efficiency Projects in ESCO model
- Carrying out Investment Grade Energy Audit for the clients.
- Bringing in necessary capital from the reputed Private firms /agencies for investing in Energy efficiency projects in the State.
- Develop commercially viable projects for third party funding that could be implemented to capture energy efficiency opportunities.
- Pool up the capital from debt and equity sources for taking investment grade energy efficiency projects.
- Procure and distribute the energy efficiency appliances / equipment at affordable price by aggregating the demand and Create wide spread consumer awareness.
- Promote local manufacturing capacity of energy efficiency appliances/ equipment and to create consumer awareness.
- Provide Energy Efficiency Consulting services to the Consumers of AP.

AJAY JAIN
PRINCIPAL SECRETARY TO GOVERNMENT